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UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

IN RE HIGH-TECH EMPLOYEE ANTITRUST LITIGATION

Case No.: C 11-CV-2509-LHK

THIS DOCUMENT RELATES TO:

**DECLARATION OF JAMES M.
KENNEDY PURSUANT TO CIVIL
LOCAL RULE 79-5 SUBMITTED
IN SUPPORT OF DEFENDANTS'
ADMINISTRATIVE MOTION TO
FILE UNDER SEAL**

ALL ACTIONS

Date: January 17, 2013
Time: 1:30 p.m.
Courtroom: 8, 4th Floor
Judge: Hon. Lucy H. Koh

Date Consol. Amended Compl. Filed:
May 4, 2011

Trial Date: Nov. 12, 2013

DECLARATION OF JAMES M. KENNEDY PURSUANT TO
CIVIL LOCAL RULE 79-5 SUBMITTED IN SUPPORT OF
DEFENDANTS' ADMINISTRATIVE MOTION TO FILE
UNDER SEAL
Case No.: C 11-CV-2509-LHK

DECLARATION OF JAMES M. KENNEDY

I, James M. Kennedy, declare as follows:

1. I am the Senior Vice President, Business Strategy and Chief Legal Counsel for Pixar and I am an attorney licensed to practice law in the State of California. The matters set forth herein are true and correct of my own personal knowledge and information provided to me. If called as a witness, I could and would testify competently thereto.

2. I submit this declaration pursuant to Civil Local Rule 79-5 and this Court's Standing Order with respect to documents that Defendants have requested to file under seal in their November 12, 2012 Joint Administrative Motion. *See* Joint Administrative Motion to File Under Seal filed on November 12, 2012. Pixar requests that certain materials designated as confidential by Pixar and lodged under seal by Defendants on November 12, 2012 be sealed pursuant to Civil Local Rule 79-5. In particular, Pixar requests that the Court maintain under seal (a) portions of Defendants' Opposition to Plaintiffs' Motion for Class Certification ("Defendants' Opposition"); (b) portions of the Expert Report of Kevin Murphy ("Murphy Report"); (c) Paragraphs 7, 9, and portions of paragraphs 10, 11, and 17 of the Declaration of Lori McAdams in support of Defendants' Opposition ("McAdams Declaration"); (d) Exhibit 1 of the McAdams Declaration; and (e) portions of Defendants' Motion to Strike the Report of Dr. Edward E. Leamer and Memorandum of Law in Support ("Motion to Strike").

3. These materials include, quote from and/or attach as exhibits confidential information and testimony that Pixar has designated CONFIDENTIAL and CONFIDENTIAL - ATTORNEYS' EYES ONLY under the terms of the Stipulated Protective Order (as modified by the Court) filed in this case (Dkt. No. 107) ("Protective Order").

4. Defendants filed public versions of these materials on November 12, 2012. In the public versions, Defendants redacted those portions that refer to the contents of Pixar's confidential documents and testimony.

5. I have reviewed Defendants' Opposition, the Murphy Report, the McAdams Declaration, Exhibit 1 of the McAdams Declaration, the Motion to Strike, and Defendants'

1 Administrative Motion. Good cause exists to file under seal the following paragraphs,
 2 footnotes, exhibits, and references, which contain competitively sensitive and proprietary
 3 information about Pixar's business strategy, compensation and benefits practices, and
 4 competitive recruiting strategies and policies. Pixar's proposed redactions to these documents
 5 have been lodged with the Court.

6 (a) Lines 4-8, 11-17, 20-24 and 26-27 of page 2, and lines 6-7 of page 4 of
 7 the McAdams Declaration, and references thereto at lines 18-20 of page 7 of Defendants'
 8 Opposition. These excerpts contain confidential and competitively sensitive information
 9 regarding Pixar's internal compensation practices and strategies. There is good cause to seal
 10 information contained in these paragraphs because it reveals competitively sensitive information
 11 regarding Pixar's compensation practices and strategies. The paragraphs include proprietary
 12 and non-public information concerning Pixar, and Pixar would be prejudiced if the information
 13 contained in the redacted portions of the McAdams Declaration and Defendants' Opposition
 14 quoting therefrom were made available to the general public.

15 (b) Exhibit 1 to the McAdams Declaration. This Exhibit showing Pixar's job
 16 family matrix for the year 2006 contains confidential and competitively sensitive information.
 17 There is good cause to seal this Exhibit because it reveals competitively sensitive information
 18 regarding Pixar's salaries, salary ranges, and distribution of salaries within salary ranges.

19 (c) With respect to information regarding Pixar, good cause exists to seal
 20 portions of lines 21-23 of page 19 of Defendants' Opposition. These portions of Defendants'
 21 Opposition refer to and quote from a Pixar document that has been designated confidential. The
 22 document contains confidential and competitively sensitive information regarding business
 23 strategy and internal compensation and recruiting practices of The Walt Disney Company
 24 ["TWDC"], Pixar, and ImageMovers Digital. TWDC is the parent of Pixar and was the co-
 25 founder, with Robert Zemeckis, of ImageMovers Digital. There is good cause to seal references
 26 to information contained in this document because the document reveals sensitive information
 27 regarding business strategy of TWDC and its subsidiaries. Disclosure would reveal confidential
 28

intra-company communications regarding internal recruiting and staffing policies. Pixar and its affiliates would therefore be prejudiced if the information were made available to the general public.

(d) With respect to information regarding Pixar, good cause exists to seal Exhibits 2A, 2B, 3, 5, 6, 7A, 7B, 8A, 8B, 10, 14A, 14B, 18A, 18B, 19, 20, 21A, 21B, 22A, 22B, 23, 24, 25A, 25B, 26, Appendices 1A-4D, 5E, 6E, 7E, 8A-14B, and the information and conclusions derived therefrom in Paragraphs 35 and 94 of the Murphy Report. The Exhibits, Appendices, and the information and conclusions derived therefrom reflect highly confidential and competitively sensitive data regarding Pixar's compensation practices and strategies. Disclosure would create a substantial risk of serious competitive harm to Pixar because its competitors would gain insight into Pixar's competitive and proprietary compensation strategies. Pixar would therefore be prejudiced if the information were made available to the general public.

(e) With respect to information regarding Pixar, good cause exists to seal information contained in lines 1-2 on Page 11 and lines 2-3 of Footnote 13 on Page 17 of the Defendants' Motion to Strike, and Page 400, Line 16 of Exhibit A to the Declaration of Susan Welch in Support of Defendants' Motion to Strike. These excerpts of Defendants' Motion to Strike and Exhibit A thereto contain confidential and competitively sensitive information regarding Pixar's internal compensation practices. There is good cause to seal this information because it reveals competitively sensitive information regarding Pixar's compensation practices. The excerpts include proprietary and non-public information concerning Pixar, and Pixar would be prejudiced if the information contained in the portions of the Motion to Strike and Exhibit A thereto were made available to the general public.

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6. I declare under penalty of perjury under the laws of the State of California and the United States that the foregoing is true and correct.

Executed on November 12, 2012, in Emeryville, California.

James M. Tamm

James M. Kennedy